

October 22, 1964

Dear Art:

Enclosed are three signed copies of the contract which you left with me on October 13 and on which I have inserted the date October 22, 1964.

The contract was signed by [] with the understanding that there are certain changes to be made in the basic contract, as you and I discussed on October 13: STATINTL

- STATINTL
1. In order to accomplish what you require under Part II of the schedule, it was decided that there should be certain Engineering service performed at Palo Alto. I have forwarded a separate quotation in the amount of [] covering that service.
 2. Under Part III you asked how long the [] mentioned in item c would last. It appears that this coverage might be enough until about November 15. On the other hand, since we now have a contract signed by both parties with the total cost inserted, it seems to me that it would be most appropriate to delete all of paragraph c in order to avoid confusion. However, if the purpose of paragraph c is to spell out interim funding limitations, this is a different matter. STATINTL
 3. I believe you are going to identify specific areas of sensitivity as an addendum to Part VI.
 4. The following comments, some of which we discussed previously, pertain to the Air Force Basic Agreement, AF33(657)5176:
 - a. You asked whether Section D of the Basic Agreement covering provisions for research and development contracts was appropriate for incorporation in this contract. It is my impression that this contract is more of a supply type than an R&D type and, therefore, Section D does not seem to be appropriate.
 - b. With respect to the B Clauses, I would suggest the elimination of paragraph B.29 because it is my understanding that this is designed to be used only if there is no hardware involved. Clause A.5 covers the situation more completely than Clause B.29.
 - c. In view of the method we discussed for making shipment of the hardware, I wonder if you shouldn't delete Clause A.36 requiring the use of Government bills of lading.

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Please let me know if there is any question about the modifications to the contract outlined above.

Very truly yours,

A handwritten signature, possibly reading "John", in dark ink.